

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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November 5, 2002

FROM: DAVID H. SLAUGHTER, Director
Real Estate Services Department

ROGER WEAVER, Director
Fleet Management Department

SUBJECT: LEASE AMENDMENT WITH BART AND EMMETT SINGLETARY

RECOMMENDATION: Approve Amendment No. 9 to Lease Agreement No. 83-192 with Bart and Emmett Singletary to terminate the lease effective September 1, 2002 for 26,584 square feet of land and improvements for Fleet Management Department (FMD) in Barstow.

BACKGROUND INFORMATION: On March 14, 1983, the Board approved a five-year lease agreement with one five-year option, No. 83-192, for the facility located at 1140 West Main Street in Barstow. The facility was utilized as a FMD service center for County vehicles in the high desert area. In the 19 years since the lease was originally approved, the Board has approved eight amendments. These amendments have authorized increases to the land, parking and storage areas; updates to the equipment inventory; upgrades for the fuel storage tanks; enhancements to the environmental insurance; and changes to the rent schedule and the number of options to extend the term including the addition of one five-year option and three three-year options. Two five-year options and two of the three available three-year options have been exercised, which has extended the lease term to March 31, 2004. The monthly rent is currently \$5,085. The County has the right to terminate this lease with 90-days notice.

FMD requested Real Estate Services Department (RESA) negotiate and prepare an interdepartmental Memorandum of Understanding (MOU) between FMD and the Department of Public Works (DPW). FMD will relocate the service center to the DPW transportation road yard located at 29801 Old Highway 58 in Barstow. Per the MOU with DPW, the monthly rent to be paid by FMD will be \$1,000 per month. In addition, FMD will pay all the utility costs at the site since FMD will use the facilities the vast majority of the time.

As a result of relocating the FMD service center to the DPW transportation road yard, FMD requested RESA notify the landlord of the 1140 West Main Street facility of the County's intention to terminate the lease effective September 1, 2002. The owner agreed to execute an amendment to the lease to document the termination, but did not return the signed amendment until early-October. This amendment will formally terminate the lease. Rent has not been paid commencing September 1, 2002, the effective date of the termination. FMD has vacated the site.

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REVIEW BY OTHERS: This item has been reviewed by County Counsel (Rex Hinesley, Chief Deputy County Counsel) on August 12, 2002; the Fleet Management Department (Robert Grisham, Interim Superintendent) on September 24, 2002; and the County Administrative Office (Daniel R. Kopp, Administrative Analyst) on October 29, 2002.

FINANCIAL IMPACT: This amendment will terminate Lease Agreement No. 83-192 effective September 1, 2002. Relocation of the FMD service center will result in savings of \$48,050 [(\$5,805 per month - \$1,000 per month) x 10 months] in fiscal year 2002-03. Ongoing cost savings will be \$57,660 per year.

SUPERVISORIAL DISTRICTS: First

PRESENTER: David H. Slaughter, Director, 7-7813

SH 7-7814 mf 7-7825